From: Morning Consult
To: lmartin@bakersfieldpd.us
Subject: Morning Consult Tech, Presented by the Electronic Payments Coalition: Mark Zuckerberg Has No Plans to Step Down Amid Fallout from NYT Report
Date: Wednesday, November 21, 2018 5:49:00 AM

By Edward Graham

Morning Consult Tech will be off Nov. 22-23 for the Thanksgiving holiday weekend. Publication of the morning email briefs and afternoon updates will resume Monday.

Top Stories

- Facebook Inc. Chief Executive Mark Zuckerberg resisted calls for the social media company to change up its leadership, saying during an interview that he supports Chief Operating Officer Sheryl Sandberg and has no plans to step down as Facebook's chairman. Zuckerberg also pushed back against a news investigation that said the company attempted to conceal Russian interference on its platforms and used questionable tactics to attack opponents, saying, "It is not clear to me at all that the report is right." (CNN)

- Apple Inc. is in talks with the Department of Veterans Affairs to offer military veterans portable electronic health records, according to people familiar with the matter and emails reviewed by reporters. The reported partnership would help simplify hospital visits and would allow the approximately 9 million veterans enrolled in the VA's system to transfer their health records to iPhones. (The Wall Street Journal)

- The Federal Communications Commission unveiled two new proposals to help combat the rise in unwanted phone calls and spam text messages impacting millions of consumers. One would create a national database with information about phone numbers that have been recently disconnected and reassigned, while a more controversial measure would allow service providers to block and filter text messages they identify as spam. (The Washington Post)

Chart Review

Public Attitudes Toward Computer Algorithms
Pew Research Center

Events Calendar (All Times Local)

WEDNESDAY

NTIA BroadbandUSA webinar 2 p.m.

THURSDAY

Thanksgiving Holiday--No events scheduled

FRIDAY

No events scheduled

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Experts Weigh in on Failings of the Durbin Amendment

In recent weeks, multiple experts have spoken out about the many ways that Dodd-Frank's Durbin Amendment has failed consumers and ultimately limited their choice at the checkout. By capping debit interchange fees, the amendment had the effect of scaled-back rewards programs, a reduction in free checking,

and more. Read on to find out why legal scholars and policy experts alike are speaking out about the Durbin Amendment's shortcomings seven years later.

General

Somali Workers in Minnesota Force Amazon to Negotiate
Karen Weise, The New York Times

Soon after Hibaq Mohamed immigrated to Minneapolis from Kenya, where she had been living as a refugee, in 2016 she got a job at a new Amazon warehouse near the city. At first, she enjoyed packing boxes for delivery to consumers.

NASA to launch safety review of SpaceX and Boeing after video of Elon Musk smoking pot rankled agency leaders
Christian Davenport, The Washington Post

NASA has ordered a safety review of the two companies it has hired to fly astronauts to the International Space Station, a months-long assessment that would involve hundreds of interviews designed to evaluate the culture of the workplaces, the agency said. The review, to begin next year, would look at both Boeing and SpaceX, the companies under contract to fly NASA's astronauts, and examine "everything and anything that could impact safety" as the companies prepare to fly humans for the first time, William Gerstenmaier, NASA's associate administrator for human exploration, said in an interview with The Washington Post.

U.S. chipmaker Nvidia to provide AI platform for Chinese EV start-ups
Norihiko Shirouzu and Yilei Sun, Reuters

U.S. chipmaker Nvidia Corp has signed separate deals with Chinese electric vehicle startups XPeng Motors, Singulato Motors and SF Motors to develop autonomous driving technology, Chief Executive Jensen Huang said on Wednesday. Huang, speaking at an event in the eastern Chinese city of Suzhou, said XPeng and Singulato will use Nvidia's artificial intelligence (AI) driving chip Xavier and its computing platform to develop hardware for autonomous driving, a strategic technology area in which China's leaders want to compete globally.

Israel Wants to Take Airbnb to Court for Excluding West Bank Settlements
Gwen Ackerman, Bloomberg

Israeli Justice Minister Ayelet Shaked said she's considering ways to bring Airbnb Inc. to court over its decision to stop renting out homes in Jewish settlements in the disputed West Bank. "There are a few paths we need to take and we need to do everything we can to fight back and get them to change their decision," Shaked said at a conference in Jerusalem on Wednesday.

U.S. Futures Gain With Europe Stocks; Dollar Drops: Markets Wrap
Eddie van der Walt, Bloomberg

U.S. stock futures climbed with European equities, trimming losses after sharp declines across asset classes on Tuesday. Treasuries trimmed losses and the dollar declined amid speculation the Federal Reserve may soften its policy stance.

Intellectual Property and Antitrust

Crunch time for Tencent Music's 2018 $2 billion IPO hopes
Jennifer Hughes et al., Reuters

Tencent Music Entertainment - China's answer to Spotify - is facing crunch time on its hotly anticipated U.S. $2 billion mega IPO this year. The streaming music giant, which has more than 800 million monthly users, had initially pencilled in an October launch for a U.S. initial public offering of up to $2 billion, but decided last month to delay until November in the hope that markets would settle.

Telecom, Wireless and TV

FCC proposes doubling speed requirement for rural broadband
Makena Kelly, The Verge

The Federal Communications Commission is looking to raise the minimum rural broadband speed standard to 25 Mbps, more than doubling the current requirement. In general, this would boost speeds in rural areas that receive

broadband through government-subsidized programs.

Apple iPhone Supplier Foxconn Planning Deep Cost Cuts
Debby Wu, Bloomberg

Foxconn Technology Group, the biggest assembler of Apple Inc. iPhones, aims to cut 20 billion yuan ($2.9 billion) from expenses in 2019 as it faces "a very difficult and competitive year," according to an internal company memo. The iPhone business will need to reduce expenses by 6 billion yuan next year and the company plans to eliminate about 10 percent of non-technical staff, according to the memo obtained by Bloomberg.

FCC to Kick Off Quadrennial Broadcast Reg Review Next Month
John Eggerton, Broadcasting and Cable

As expected the FCC on Dec. 12 will officially launch its latest congressionally mandated "Quadrennial" review of broadcast ownership rules. FCC chair Ajit Pai did the unveiling Tuesday (Nov. 20) in his monthly blog post on the items the FCC plans to vote on at its next public meeting, which he does when the tentative agenda is released 21 days before the meeting.

Mobile Technology and Social Media

Amazon Pay Accepted Here? Web Giant Aims to Put Digital Wallet in Stores
AnnaMaria Andriotis et al., The Wall Street Journal

Amazon.com Inc. is gearing up to challenge Apple Inc. in the mobile-payments race. The e-commerce giant is working to persuade brick-and-mortar merchants to accept its Amazon Pay digital wallet, according to people familiar with the matter, attempting to expand a service now used primarily for purchases online.

Internal Facebook memo sees outgoing VP of comms Schrage take blame for hiring Definers
Josh Constine, TechCrunch

TechCrunch has obtained an internal memo published by Facebook's outgoing head of public policy Elliot Schrage in which he blames himself for hiring PR firm Definers. He admits to having the company push negative narratives

about competitors, but says Facebook did not ask or pay Definers to publish fake news.

Alphabet Chairman Struggles With Google CEO's China Strategy
Brad Stone, Bloomberg

Alphabet Inc. Chairman John Hennessy is unsure about a banner strategy of the company's most-important executive. Hennessy said he's not confident Google will be better off bringing a censored search engine to China - a key goal of Google Chief Executive Officer Sundar Pichai.

Uber to Withhold Mexico Driver Taxes in Landmark Deal
Andrea Navarro, Bloomberg

After months of setbacks, Mexico is now on the cusp of rolling out an automatic tax payment system that forms a key part of its effort to crack down on evasion. And the government scored a marquee name - Uber Technologies Inc. - to be its first participant, according to a person familiar with the negotiations.

As Facebook faces fire, heat turns up on No. 2 Sandberg
Barbara Ortutay, The Associated Press

For the past decade, Sheryl Sandberg has been the poised, reliable second-in-command to Facebook CEO Mark Zuckerberg, helping steer Facebook's rapid growth around the world, while also cultivating her brand in ways that hint at aspirations well beyond the social network. But with growing criticism over the company's practices, or lack of oversight, her carefully cultivated image as an eloquent feminist leader is showing cracks.

So many people are downloading their Facebook data that it's causing delays
Kurt Wagner, Recode

Starting in 2010, Facebook started giving users the option to download their Facebook data, the collection of posts, photos, friends and even previous locations that Facebook has collected from you over the years. Until this spring, when Facebook's Cambridge Analytica scandal became public, a lot of people didn't even know that this data download was an option.

Cybersecurity and Privacy

Facebook sued by Russian firm linked to woman charged by U.S.
Nathan Layne, Reuters

A Russian company whose accountant was charged by federal prosecutors for attempting to meddle in U.S. elections sued Facebook Inc on Tuesday, claiming it is a legitimate news outlet and its Facebook account should be restored. The Federal Agency of News LLC, known as FAN, and its sole shareholder, Evgeniy Zubarev, filed the lawsuit in federal court in the Northern District of California, seeking damages and an injunction to prevent Facebook from blocking its account.

Google has taken down more foreign disinformation pages
David McCabe, Axios

Google on Tuesday quietly said it had taken down additional accounts implicated in online foreign influence operations aimed at least in part at the United States. The search giant has largely kept its head down even as Facebook and Twitter talked more publicly about online disinformation.

Backlash at Chinese university shows limits to surveillance
Dake Kang, The Associated Press

A Chinese university's plan to conduct a blanket search of student and staff electronic devices has come under fire, illustrating the limits of the population's tolerance for surveillance and raising the prospect that tactics used on Muslim minorities may be creeping into the rest of the country. The Guilin University of Electronic Technology is reconsidering a search of cellphones, computers, external hard disks and USB drives after a copy of the order leaked online and triggered such an intense backlash that it drew rare criticism in state-run newspapers.

Security firms warn of uptick in holiday cyber crimes
Jacqueline Thomsen and Olivia Beavers, The Hill

Security firms are warning consumers about an uptick in holiday cyber threats, cautioning online shoppers to watch which sites and links they click on during the upcoming holiday season. While cyber crime normally spikes during the holidays, particularly as more Americans choose to buy from online retailers, researchers from several prominent security firms are flagging new tactics that

could come up this season.

E-commerce site is infected not by one, but two card skimmers
Dan Goodin, Ars Technica

Payment card skimming that steals consumers' personal information from e-commerce sites has become a booming industry over the past six months, with high-profile attacks against Ticketmaster, British Airways, Newegg, and Alex Jones' InfoWars, to name just a few. In a sign of the times, security researcher Jérôme Segura found two competing groups going head to head with each other for control of a single vulnerable site.

CBP's Facial Biometrics Program Has Caught 26 Alleged Imposters
Aaron Boyd, Nextgov

After almost three months of using facial recognition biometrics to help verify international travelers at U.S. points of entry, Customs and Border Protection officials say they have used the technology to prevent 26 alleged imposters from entering the country. Border Protection officials began rolling out facial biometric projects at airports and land crossings this summer.

A Message from the Electronic Payments Coalition:

Seven years ago, the Durbin Amendment took effect as part of Dodd-Frank. The law imposed a price control on interchange fees that financial institutions use to invest in security systems and offer rewards programs. But of course, "Every college student taking Economics 101 learns that keeping prices at an artificially low level results in an undersupply of vital goods or services." See why scholars and policy experts alike denounce the Durbin Amendment even today.

Opinions, Editorials and Perspectives

A Perfect Target for Cybercriminals
Ari Mahairas and Peter J. Beshar, The New York Times

When hackers went after the Onslow Water and Sewer Authority last month, it was the second cyberattack on a North Carolina utility within a year. The hackers, who timed this attack for the aftermath of Hurricane Florence, caused

"a catastrophic loss" by encrypting databases and locking out employees.

The Scapegoating of Facebook
Holman W. Jenkins, Jr., The Wall Street Journal

There's a reason important media companies are headed by craggy old veterans who know how to navigate political and cultural cross currents. That said, let's have a moment of realism about Mark Zuckerberg and Sheryl Sandberg, whose feet of clay have become the media narrative of the nanosecond.

There's a smarter way to regulate D.C.'s e-scooters
Editorial Board, The Washington Post

Get ready to ride, D.C. - but not too fast, and not too many of you. That is the message the city has sent commuters with its updated rules and permitting process for dockless shared e-scooters.

My four-word wish for Thanksgiving
David Ignatius, The Washington Post

Here's a simple four-word wish for Thanksgiving 2018 - a day when most of us take a break from the blurring, dizzying speed of our Internet world: Let's slow things down. I don't just mean stopping to smell the roses, or taking a hike in the woods, or hiding our screens for a few hours.

Perk Up, Tech Investors. It Could Be Even Worse.
Shira Ovide, Bloomberg

U.S. stock investors don't have much to be thankful for as we start the holiday season, and that's largely because the big technology companies that helped drive the stock market up have been dragging it down lately. But if the tech superpowers had their way, their share declines might have been even uglier.

Research Reports

Black Friday E-Commerce Blacklist: Crucial Threat Intel for This Year's Black Friday/Cyber Monday Shopping Weekend
Steven Pon and Jordan Herman, RiskIQ

This Thanksgiving weekend, you can be sure that threat actors will be getting

their fill, too. Ever the opportunists, threat actors set up their operations where the money is; and in the case of the Black Friday and Cyber Monday phenomena, it's e-commerce.

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